



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
UNEMPLOYMENT INSURANCE AGENCY
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
STANLEY "SKIP" PRUSS, DIRECTOR
SUSAN R. CORBIN, DEPUTY DIRECTOR

STEPHEN M. GESKEY
DIRECTOR
UNEMPLOYMENT
INSURANCE AGENCY

February 18, 2009

Governor Jennifer M. Granholm
Executive Office of the Governor
George W. Romney Building
111 South Capitol Avenue
Lansing, Michigan 48909

Dear Governor Granholm:

I have attached, for your consideration, a proposed Agreement between the State of Michigan and the United States Secretary of Labor.

Section 2002 of the American Recovery and Reinvestment Act of 2008 provides for the payment by each state of an additional \$25.00 per week to every claimant for unemployment benefits. This additional payment will be reimbursed to the state by the United States Department of Labor, provided the state enters into an agreement to make such payments in accordance with federal law.

By signing the attached Agreement, you will enable the Unemployment Insurance Agency to make the additional \$25.00 payment and to incur no monetary obligation to the state or to the employers of the state as the additional payment will not be charged to employers' unemployment experience accounts.

I urge you to take advantage of the described provisions of law by signing the agreement, so that the executed agreement may be returned to the United States Department of Labor by their requested return date of close of business on Thursday, February 19, 2009.

Sincerely,

Stanley F. Pruss, Director
Department of Energy, Labor and Economic Growth

Attachment

Federal Additional Compensation Agreement – Instructions for Completion

In order to carry out the provisions of the Assistance for Unemployed Workers and Struggling Families Act, an Agreement between States and the Secretary of Labor needs to be completed and submitted.

Please follow the instructions below:

1. Print a hard copy of the attached PDF version of the Agreement, which cannot be changed.
2. On Page 1, in the Title "THE STATE OF," print or type your State's name on the underlined field.
3. On Page 1, Paragraph 1, print or type your State's name on the underlined field.
4. On Page 1, Section I., print or type your State's name on the underlined field.
5. On Page 3, the Governor or Governor's designee will sign on the "By" line; print or type the title of signatory on the "Title" line; print or type the date on the "Dated" line; print or type the State name on the "For the State of" line.

Note: If the Governor designates another person to sign the Agreement in his/her place, then the "CERTIFICATION OF AUTHORITY" section on Page 3 must be completed by a person authorized to certify that the designee is authorized to sign for the Governor (e.g. Attorney General, Secretary of State, etc.). Under the *Certification of Authority*:

- a. Print or type the name of the official signing for the Governor on the "NAME" line (this will be the name of the person in #5 above).
 - b. Print or type the title of the signing official in the "TITLE" line (this will be the title of the person in #5 above).
 - c. The official who is certifying that the designee is authorized to sign on behalf of the Governor will sign on the "Signature" line.
 - d. Print or type the title of the official who is "certifying" on the "Title" line.
 - e. Print or type the date on the "Date" line.
6. Create a PDF version of the completed and signed Agreement and e-mail to EUC2008.OWS@dol.gov or print a hard copy and fax to 202-693-3229 Attn: Cheryl Atkinson by close of business (COB), on Thursday, February 19, 2009.

Questions may be directed to Betty Castillo at (202) 693-3209, Stephanie C. Garcia at (202) 693-3207, Bob Wagner at (202) 693-3210, or Candace Edens at (202) 693-2637.

Assistance for Unemployed Workers and Struggling Families Act -
Section 2002

AGREEMENT BETWEEN

THE STATE OF MICHIGAN

AND

THE SECRETARY OF LABOR, U.S. DEPARTMENT OF LABOR

The Secretary of Labor, U.S. Department of Labor, and the State of Michigan, in order to carry out the provisions of Section 2002 of the Assistance for Unemployed Workers and Struggling Families Act; hereinafter referred to as the "Act," hereby agree as follows:

I. The Michigan State Workforce Agency, hereinafter referred to as the "Agency," will make payments of benefits in accordance with the Act (which is incorporated herein by reference), and will cooperate with the U.S. Department of Labor (Department of Labor), and with other state agencies in making such payments.

II. The Agency and other state officials concerned will perform all of the functions and duties undertaken under this Agreement in accordance with the terms of this Agreement and the regulations or operating instructions issued by the Department of Labor.

III. This Agreement will immediately terminate, and no further benefits will be payable under it, upon the Department of Labor's determination that the state's method governing the computation of regular compensation has been modified in a manner such that the average weekly benefit amount of regular compensation payable during the period of this Agreement (disregarding the supplement payable under the Agreement) will be less than the average weekly benefit amount of regular compensation which would otherwise have been payable during this period under the state law as in effect December 31, 2008.

IV. The Agency will maintain such records pertaining to the administration of the Act as the Department of Labor requires, and will make all such records available for inspection, examination, and audit by such federal officials or employees as the Department of Labor may designate or as may be required by law.

V. The Agency will furnish to the Department of Labor such information and reports and will make such studies as the Department of Labor determines are necessary or appropriate for carrying out the purposes of the Act.

VI. Payments to States.

A. The Agency will be paid from time to time, in advance, an amount equal to 100 percent of the estimated cost of the benefits to be paid by the Agency under this Agreement. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Department of Labor and the Agency.

B. The Agency also will be paid, from funds appropriated for such purpose, the amounts the Department of Labor determines to be necessary for the proper and efficient administration of this Agreement in the state.

VII. The Agency will use all money paid to the state for the payment of benefits solely for that purpose for which the money was paid to the state, and will return to the United States Treasury, upon request of the Department of Labor, any such money (a) if the Department of Labor finds that the money is not needed for such purpose or that the money has been used for a purpose other than that for which it was paid, or (b) on termination of this Agreement. The "Audit Requirements for Grants, Contracts, and other Agreements," 29 CFR Part 96, will apply to disagreements under this section.

VIII. The Agency will take such action as reasonably may be necessary to recover for the account of the United States all benefit amounts erroneously paid and restore any lost or misapplied funds paid to the state for benefits or the administration of this Agreement.

IX. To the extent that agencies of the state obtain bonds to protect funds of the state, the Agency will obtain bonds to protect funds made available to it for the payment of benefits and the costs of administration of this Agreement. The pro rata cost of such bonds shall be considered a necessary cost of the administration. If under state law the state acts as a self-insurer of state funds and does not obtain bonds to protect them, the Agency shall so inform the Department of Labor in writing and in such case the state will act as a self-insurer with respect to funds which are paid to the state under this Agreement.

X. The Agency will apply the methods of administration required by section 303(a)(1) of the Social Security Act (42 U.S.C. 503(a)(1)) to the functions undertaken pursuant to this Agreement.

XI. This Agreement may be terminated by either party on thirty days' written notice. If this Agreement is terminated, the Agency will process and pay benefits for all weeks of unemployment which end prior to the date of termination for which such payments are due.

XII. This Agreement shall be effective when both parties have signed it.

Douglas F. Small

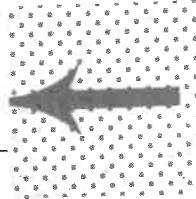
Deputy Assistant Secretary
for Employment and Training
U.S. Department of Labor

Date: February 17, 2009

By [Signature]
(State Signatory)

Governor

(Title)



DATED: _____

For the State of Michigan

CERTIFICATION OF AUTHORITY

(To be used if an official other than the Governor signs the Agreement)

NAME _____

TITLE _____
(Must be the Attorney General or other authorized legal Official)

I hereby certify that the above-named person has the authority under the Constitution and laws of this state to sign this Agreement on behalf of the state.

Signature: _____

Title: _____

Date: _____